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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

In the Matter of)	
)	DOCKET FILE COPY ORIGINAL
800 Data Base Access Tariffs and)	
the 800 Service Management System)	CC Docket No. 93-129
Tariff and)	
)	
Provision of 800 Services)	CC Docket No. 86-10

AT&T CORP. OPPOSITION
TO BELL ATLANTIC PETITION FOR RECONSIDERATION

Pursuant to Section 1.106(g) of the Commission's Rules, 47 C.F.R. § 1.106(g), AT&T Corp. ("AT&T") opposes Bell Atlantic's Petition for Reconsideration of the Commission's Report and Order in this proceeding.¹ Bell Atlantic seeks reconsideration of the Commission's decision to disallow certain exogenous costs included in Bell Atlantic's 800 Data Base tariff, because the Commission based its disallowance on the costs incurred by other local exchange companies ("LECs") to add regional 800 data bases. Bell Atlantic contends that all costs incurred in adding its regional 800 data base should be treated as exogenous costs. Because Bell Atlantic's contention is contrary to Commission

¹ 800 Data Base Access Tariffs and the 800 Service Management System Tariff and Provision of 800 Services, Report and Order, CC Docket Nos. 93-129 and 86-10, released October 28, 1996, para. 101 ("Report and Order").

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policy, the Commission should deny Bell Atlantic's petition for reconsideration.

The Report and Order granted price cap LECs' requests for exogenous treatment of the reasonable costs incurred specifically to provide 800 data base service. However, the Commission found that Bell Atlantic "failed to meet its burden of showing that its regional database costs are reasonable and were incurred specifically for the provision of 800 data base basic service."² Consequently, the Commission disallowed certain of Bell Atlantic's exogenous costs, and permitted Bell Atlantic to claim exogenous treatment only for the average amount of regional data base costs that other LECs claimed.

Bell Atlantic disputes the Commission's treatment of its exogenous costs, claiming (pp. 2-3) that because its "cost filing is based on what it spent to deploy [its] regional data base," it is irrelevant that it has shown large increases in investment during the Commission's investigation of 800 data base costs and also has the highest total regional data base investment. In Bell Atlantic's view, all costs incurred to create the regional data base are subject to exogenous cost treatment.

² Id. at para. 102.

Bell Atlantic's conclusion, however, contradicts the Commission's determination that "exogenous treatment will only extend to those costs incurred specifically for implementation of basic 800 data base service. Those costs that are not reasonable . . . will not be afforded exogenous cost treatment."³ The record in this proceeding supports fully the Commission's finding that the costs Bell Atlantic incurred are not reasonable. The costs are not in line with prior Bell Atlantic cost filings and they vary greatly from the costs incurred by other Bell Operating Companies ("BOCs") with similar 800 data base configurations.

Bell Atlantic, though it had numerous opportunities to do so, failed to explain why its costs had increased so dramatically, while the costs of other LECs did not experience similar cost increases even though those LECs used the same cost models.⁴ Therefore, because Bell Atlantic has failed to demonstrate that the costs it incurred were reasonable, Bell Atlantic's total 800 data base costs should not be afforded exogenous cost treatment.

Rather, only those costs that are deemed reasonable, based on some objective standard, should be

³ Provision of Access 800 Service, CC Docket No. 86-10, Second Report and Order, 8 FCC Rcd 907, 911 (1993).

⁴ Report and Order at para. 101.

treated as exogenous costs. The Commission did allow Bell Atlantic to treat a portion of the regional data base costs it incurred as exogenous costs -- those costs that were analogous to costs incurred by other BOCs that had comparable data base configurations. Specifically, the Commission permitted Bell Atlantic to claim exogenous treatment for the average of the amount of regional data base costs that other BOCs have claimed.⁵

Finally, Bell Atlantic claims (p. 2) that the Commission is penalizing its choice of technology for its 800 data base by disallowing the costs associated with the deployment of a more advanced technology. Bell Atlantic's claim misses the point. The Commission is not penalizing Bell Atlantic for its choice of technology. Bell Atlantic may deploy any technology that meets its needs and goals. However, Bell Atlantic can not expect all the costs associated with the technology to be treated as exogenous costs. Exogenous cost treatment is limited to costs that are wholly beyond a carrier's control.⁶ Consequently, to the extent the costs incurred by Bell Atlantic as a result of its decision to deploy state-of-the-art technology to

⁵ Id. at para. 102.

⁶ See Petition for Waiver of the Commission's Rules to Recover Network Depreciation Costs, Order, 9 FCC Rcd 377 (1993).


provide 800 data base service are discretionary, those costs should not, and can not, be treated as exogenous costs. The Commission properly disallowed these costs from exogenous treatment.

For the reasons stated above, the Commission should deny Bell Atlantic's petition for reconsideration.

Respectfully submitted,

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December 10, 1996

CERTIFICATE OF SERVICE

I, Ann Marie Abrahamson, do hereby certify that on this 10th day of December, 1996, a copy of the foregoing "AT&T Corp. Opposition to Bell Atlantic Petition for Reconsideration" was mailed by U.S. first class mail, postage prepaid, to the parties listed on the attached Service List.


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